

Message Text

SECRET

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 PM-05 NSC-05 SP-02 SS-15
L-03 CIAE-00 INR-07 NSAE-00 TRSE-00 ACDA-07 /057 W
-----056528 051309Z /46

P R 051037Z OCT 77
FM AMEMBASSY OSLO
TO SECSTATE WASHDC PRIORITY 4539
SECDEF WASHDC PRIORITY
INFO AMEMBASSY COPENHAGEN
AMEMBASSY STOCKHOLM
AMEMBASSY HELSINKI
AMEMBASSY REYKJAVIK
AMEMBASSY BRUSSELS
AMEMBASSY THE HAGUE
HQ USAF WASHDC
USCINCEUR VAIHINGEN GE
CINCUSAFE RAMSTEIN GE
HQ AFSC ANDREWS AFB MD
HQ ASD WPAFB OH
OJCS WASHDC
SEC AF WASHDC

S E C R E T SECTION 1 OF 2 OSLO 4544

E.O. 11652: GDS
TAGS: MASS, MILI, NO
SUBJECT: AF SECRETARY STETSON'S VISIT CLARIFIED SOME IMPORTANT
F-16 ISSUES

1. (U) SECRETARY STETSON, DR. MARTIN, BRIGADIER
GENERAL HOOVER, ACCOMPANIED BY AMBASSADOR LERNER,
COL NIEMELA ODC AND COL BURRIS AIRA, PARTICIPATED
IN DISCUSSIONS WITH NORWEGIAN MOD OFFICIALS
FOLLOWING A PRIVATE SESSION WITH MOD HANSEN. THE
DISCUSSIONS WERE CHAIRED BY MOD SECRETARY GENERAL
CASPAR STEPHANSEN, WITH MEMBERS PRESENT FROM THE
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MINISTRY OF INDUSTRY, AS WELL AS RNOAF CHIEF MG NILS
ARVESH AUG; AIR MATERIEL COMMAND CHIEF MG HEGLUND; HIS
DEPUTY COL ARNE SEJNAES (THE F-16 PROJECT MANAGER
FOR NORWAY); DCS OPERATIONS MG HAUGE; MOD MILITARY/
POLITICAL OFFICE DIVISION CHIEF MR. OLE ENG; MOD
DIRECTOR GENERAL FOR PLANS FINN MOLVIG; AND MOD DEPUTY
OFFICE DIRECTOR FOR PERSONNEL AND TRAINING MR. A. LOKSTAD.

2. (C) THE CHAIRMAN WELCOMED THE GROUP, RECOGNIZING THE OUTSTANDING COOPERATION IN MANY FIELDS BETWEEN THE U.S. AND NORWAY. SECRETARY STETSON RESPONDED TO THE OPENING REMARKS AND INVITED NORWAY TO PARTICIPATE WITH OTHER EPC MEMBERS IN THE UPCOMING F-16 DSARC III B SCHEDULED FOR 11 OCTOBER. LTG EINAR TUFTE JOHNSEN, CHAIRMAN OF THE NORWEGIAN MILITARY MISSION IN WASHINGTON, WILL REPRESENT THE GON.

3. STEPHANSEN TURNED THE DISCUSSIONS TO THE F-16 AND ASSOCIATED ISSUES CONCERNING NORWAY AND ASKED COL SEJNAES TO REVIEW THE ISSUES CURRENTLY EXTANT. THE FOLLOWING IS A SUMMARY OF HIS REMARKS:

A. NTR PRICE. HE STATED THAT NORWAY CONSIDERS IT A USG "OBLIGATION" TO MAINTAIN THE NTE PRICE, THAT A MORE APPROPRIATE TERM PROBABLY WOULD HAVE BEEN THE "MOST PROBABLE PRICE," WITH THE NTE PRICE INDICATED AS A CEILING. THE SECRETARY RESPONDED THAT WHILE HE RECOGNIZED THAT DIFFERENCES OF OPINION EXISTED OVER MOU TERMINOLOGY, THE NTE PRICE WAS NOT NECESSARILY CONSIDERED LEGAL OR CONTRACTUAL. HE NOTED THAT THE NTE PRICE WOULD MOST LIKELY BE MET.

B. CO-PRODUCTION, COL SEGNAES NOTED THAT NORWAY'S SHARE IN HIS VIEW WAS NOT EQUITABLE, ALTHOUGH HE ANTICIPATED AN INCREASE IN THE FUTURE. WHEN THE MOU WAS SIGNED BY
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NORWAY THEY UNDERSTOOD THAT SEVERAL CONDITIONS WERE TO BE MET REGARDING THE AVIONICS INTERMEDIATE SHOP (AIS) AND ALUMINUM SHEETING. NORWAY WANTS EQUITABLE SHARING OF THE AIS AND SIMULATOR CONTRACTS WITH DENMARK. REGARDING THE 370 GALLON DROP TANKS, HE INDICATED THAT THE INITIAL ORDER OF 192 HAD BEEN INCREASED TO 348 BUT FELL FAR SHORT OF A BREAK EVEN POINT OF 1,000 TANKS, HENCE A RELUCTANCE TO START PRODUCTION. SEGNAES ACKNOWLEDGED THAT IT WOULD INCREASE THE PRICE OF USAF F-16S, BUT STATED THAT THE DROP TANKS ARE STILL GOOD CANDIDATES FOR OFFSET. AS TO THE RADAR WARNING RECEIVER, HE INDICATED THAT GON WOULD LIKE AN ESTIMATE OF HOW MANY USAF MIGHT PURCHASE.
C. SEGNAES TOUCHED BRIEFLY ON LOADINGS, STATING THAT THE QUESTION OF EQUAL PERCENTAGES SHOULD NOT APPLY TO CO-PRODUCED ITEMS, THE BASIC PROBLEM BEING ONE OF HOW

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P R 051037Z OCT 77
FM AMEMBASSY OSLO
TO SECSTATE WASHDC PRIORITY 4540
SECDEF WASHDC PRIORITY
INFO AMEMBASSY COPENHAGEN
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SEC AF WASHDC

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TO DISTRIBUTE COSTS. SECRETARY STETSON RESPONDED THAT THE LAST WORD ON LOADING IS NOT IN YET. HE ADDED THAT HE HOPED THE GON WOULD PARTICIPATE IN THIRD COUNTRY SALES, AS NORWAY COULD ANTICIPATE SUBSTANTIAL GAIN. STEPHANSEN RESPONDED THAT THE GON HAD SCHEDULED A SPECIAL MEETING ON THAT SUBJECT FOR 3 OCTOBER (WILL REPORT SEPTTEL) AND THAT IT WOULD BE ADDRESSED SUBSEQUENTLY BY THE FULL CABINET AND THE STORTING FOREIGN AFFAIRS COMMITTEE.

4. (C) MG ARVESEHAUG BROUGHT UP A PILOT TRAINING PROBLEM OF WHICH WE WERE PREVIOUSLY AWARE. FROM 1980 ONWARDS, AFTER PHASE OUT OF THEIR F-104S AND F-15S, THE
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RNOAF WILL NOT HAVE A QUALIFIED RESIDUAL POOL OF FIGHTER PILOTS TO TRANSITION INTO THE F-16; THUS ONLY NEWLY GRADUATED PILOTS WILL BE AVAILABLE, INSUFFICIENTLY EXPERIENCED TO TRANSITION DIRECTLY INTO THE F-16. HE REQUESTED COORDINATION ON NORWAY'S REQUEST TO THE USAF FOR TRANSITION TRAINING INTO THE F-16, BEGINNING WITH

FOUR PILOTS IN 1980 AND INCREASING TO 16 PER YEAR AFTER 1982. SECRETARY STETSON RECOGNIZED NORWAY'S UNIQUE PROBLEM AND AGREED TO LOOK INTO IT WITHOUT AT THE SAME TIME COMMITTING THE USAF.

5. (S) MG HAUGE GAVE A BRIEF REVIEW OF THE COB STATUS AND COMMENTED ON A RECENT USMC BASES SURVEY. AMBASSADOR LERNER NOTED THAT RNOAF PLANS TO DEPLOY AIR FORCES NORTH IN WARTIME PROVIDE EXCELLENT OPPORTUNITIES FOR USAF BASING AND HOPED THAT THE USAF FUTURE PLANS CALLED FOR BEDDING DOWN F-16 AIRCRAFT AT NORWEGIAN F-16 BASES.

6. (S) AWACS WAS MENTIONED BRIEFLY WITH SEC GEN STEPHANSEN STATING THAT GON RECOGNIZED THE NEED FOR THE SYSTEM AND INDICATED A WILLINGNESS TO COOPERATE, BUT EXPRESSED CONCERN ABOUT BRUSSELS' DISCUSSIONS OF MAIN OPERATING BASES (MOB). HE STATED THAT NORWAY FELT IT INAPPROPRIATE TO LOCATE THEM IN ITALY OR PORTUGAL; HE WOULD RATHER SEE THEM LOCATED MORE CENTRALLY AND THAT THE UK "MIGHT BE MOST PRACTICAL." HE RECOGNIZED THAT THE QUESTION OF STAGING AWACS WAS POLITICAL AND COULD IMPACT ON NORWAY'S BASING POLICY. HE WONDERED IF AWACS NEEDED A SPECIAL AGREEMENT. IN ANY EVENT, HE FELT THAT AN INTERNAL DISCUSSION OF THE AWACS ISSUE WOULD BE NEEDED IN NORWAY.

7. (U) FOLLOWING THE MOD DISCUSSION, SECSTETSON,
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ACCOMPANIED BY AMBASSADOR LERNER AND OTHERS, FLEW TO THE KONGSBERG PLANT WHICH PRODUCES F-16 COMPONENTS. THE PRINCIPAL ISSUE RAISED DURING THIS TRIP CONCERNED THE RECENT GENERAL DYNAMICS PROPOSAL TO DISTRIBUTE CO-PRODUCTION TO CANADA. KONGSBERG OFFICIALS WERE ADAMANT IN STATING THAT THIS COULD ONLY BE CONSIDERED RENEGING ON THE PROMISES OF CO-PRODUCTION.

8. (U) ON RETURNING TO OSLO, THE SECRETARY CONDUCTED A BRIEF PRESS CONFERENCE, ALREADY REPORTED (OSLO 4478).

9. COMMENT: EMBASSY GRATEFUL FOR SECRETARY STETSON'S STRAIGHTFORWARD, PRECISE AND COMPLETE STATEMENTS ON ISSUES SUCH AS THE NTE PRICE AND THIRD COUNTRY SALES. THE DIALOGUE ON THESE SUBJECTS, WHICH HAD BEEN CONFUSED BY DISTORTED AND/OR SLOPPY PRESS TREATMENT LATELY, BENEFITTED SIGNIFICANTLY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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